

ISSUES

Here Comes the Big Money

By Matt McCall and Charlie Shrem February 12, 2021

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It seems longer than five months since we started *Crypto Investor Network*.

Not that five months is a major milestone, but so much has happened in that time to reinforce the opportunity in front of us.

We said the growing awareness, use, and appreciation of bitcoin and altcoins would eventually affect everyone in America. The way you buy everyday goods and services... how you pay your taxes... buy a home... the way you vote... and more.

We called it “The Awakening,” and we said it could be the biggest thing since the mass adoption of the internet.

Five months later, the coins in our portfolio are up more than 250% on average. The Awakening is already driving the price of bitcoin and select altcoins to never-before-seen heights.

And we think this is still just the beginning...

Not a day goes by where this is not a new headline or announcement about a company or heavy hitter investing in bitcoin or offering bitcoin services.

The Headlines Show the Massive Opportunity

Not too long ago, news in the cryptocurrency world was filled with mostly unfamiliar names. But that's now changing. The headlines are quickly filling up with household names, which is a huge sign that cryptocurrencies are heading into the mainstream.

Perhaps the most significant announcement in the past month came from Tesla, the largest automaker in the world by market capitalization and the world's leading electric vehicle (EV) manufacturer.

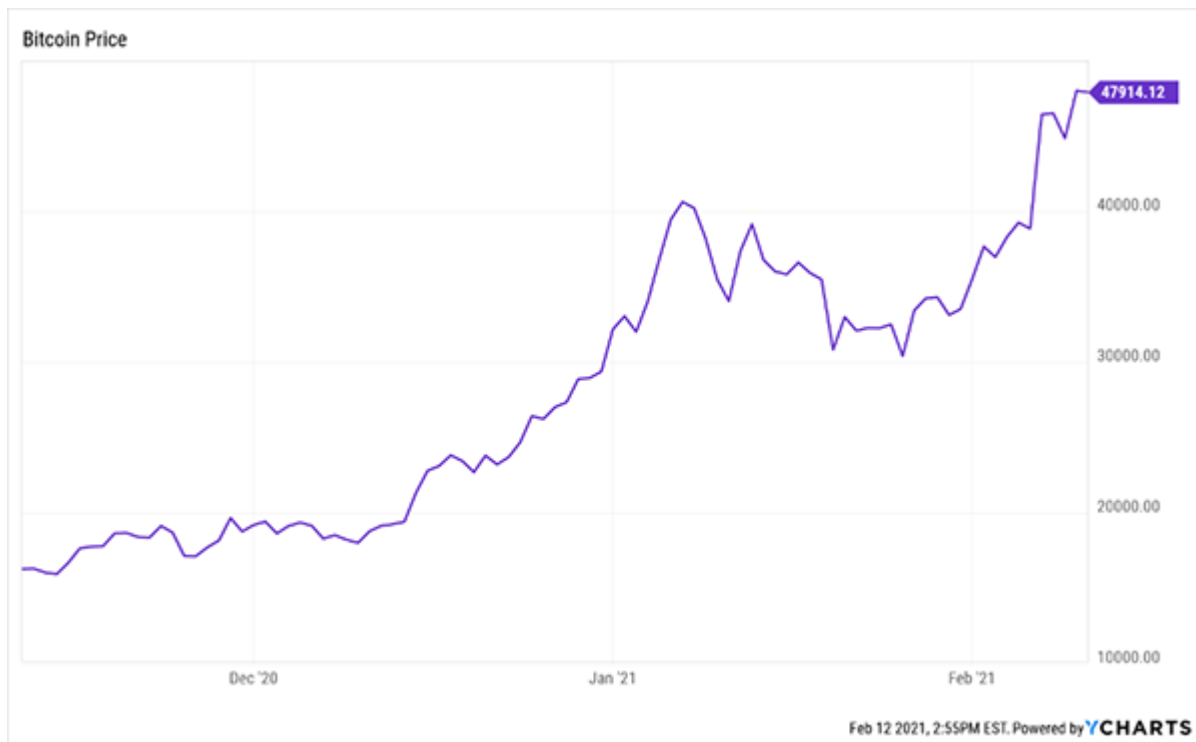
Tesla announced on Monday that it bought \$1.5 billion worth of bitcoin to "further diversify and maximize returns on our cash." The company didn't hold back. That \$1.5 billion purchase accounted for nearly 8% of the \$19 billion in cash and cash equivalents Tesla had on hand six weeks ago at the end of last year.

But that wasn't all. The company plans to begin accepting bitcoin as payment for its products and services, making it the first big automaker to take that step.

Don't underestimate the significance of this from an influential company with an influential CEO in Elon Musk. He personally has ramped up his public support for bitcoin, especially on Twitter. He added bitcoin to his Twitter handle and said "it was inevitable" when traders turned to cryptocurrencies after Robinhood limited trading in certain stocks. (More on that later.)



The one-two punch of buying bitcoin and accepting it as payment got the attention of a lot of people. Investors are among them, as bitcoin shot to new highs after the announcement.



Beyond price action is the implication of such a major move from a major company. One analyst, Daniel Ives of Wedbush, said it would have a “ripple effect across corporations around the globe.”

In fact, Uber CEO Dara Khosrowshahi said the company is now considering accepting bitcoin as payment for its services.

If companies are going to accept bitcoin as payment, it makes sense that they would start to pay their employees in it. NFL player Russell Okung is now receiving a portion of his salary – \$13 million a year – in bitcoin.

Twitter is also looking into the possibility. Chief Financial Officer Ned Segal said the company is already thinking about how to do that should employees request it, and it’s also considering the possibility of paying vendors in bitcoin as well.

Using bitcoin and altcoins in these ways becomes possible and much easier as crypto banking services expand.

Visa, which stayed away for a long time, is moving ahead. The largest payment network in the world has partnered with 35 cryptocurrency platforms over the last few years and just announced plans to allow buying and trading of cryptos with its own software

program. It already offers bitcoin rewards cards. If you don't want airline miles, you can get bitcoin.

MasterCard said on Wednesday that it will start supporting some cryptocurrencies on its network.

And the very next day, BNY Mellon said it would start a new Digital Assets unit to “help clients address growing and evolving needs related to the growth of digital assets, including cryptocurrencies.”

Wall Street wants in, too. Paul Tudor Jones, one of the most successful and influential investors in history, is a big buyer of bitcoin. JPMorgan CEO Jamie Dimon called anyone who owned bitcoin “an idiot” in 2016. Today, it's one of his firm's largest holdings, and under his leadership JPMorgan has its very own cryptocurrency. Talk about an awakening!

Ray Dalio of the famous Bridgewater Hedge Fund appears may be heading down a similar road. His fund manages over \$125 billion, and while he is apparently not buying bitcoin – yet – he acknowledged in a note at the end of January that it “has features that could make it an attractive storehold of wealth.”

That's a lot of headlines, we know, but that's exactly the point. The Awakening is real. It's happening now... and it's happening fast.

Governments, businesses, and individuals are awakening to blockchain's transformational impacts, and it should drive the prices of bitcoin and the best cryptocurrencies to never-before-seen heights.

Cryptos are being used in more places by more people all the time, and this massive disruption creates a once-in-a-lifetime financial opportunity for investors who act today.

If you are new to *Crypto Investor Network*, we welcome you and congratulate you on your decision to take advantage of this opportunity. Our [recommended coins](#) are on the move, but you are not too late. There will be more buying opportunities in those and new coins along the way.

In fact, we're raising a few buy limits due to the recent trading, so let's take a look at each of our recommended coins now.

Updates on our Recommended Coins

Electroneum (ETN) has signed up 21,000 new accounts since mid-January, averaging about 7,000 new users per week. And its app downloads are at more than 1,200 per day! The good news gave the coin a nice bump earlier this week as it hit nearly \$0.008 before pulling back a bit.

Relative to surges in bitcoin and much of the cryptocurrency market, Electroneum has underperformed a little bit. But that's the past. In just the last week the coin has skyrocketed 80%... and in just the last 24 hours it's up 34%!

Electroneum's big potential comes from its goal to allow people around the world to make money from the digital economy. There are more than one billion people in the world who do not have what we would traditionally call banking accounts – which means they're "unbanked" – and Electroneum provides a cheap and secure way for them to pay for goods and services, send money, and more.

Buy ETN up to a new limit of \$0.009.

Polkadot (DOT) has surged nicely over the last month – climbing 250% since January 12 and hitting all-time highs above \$25. The coin has drastically outperformed bitcoin and is one of the hot cryptocurrencies right now.

Positive news surrounding Polkadot's network adoption and development continues to roll in on an almost daily basis, which is helping fuel the big gains. Here are some of the highlights:

- Manta Network recently raised \$1.1 million to build a privacy oriented decentralized finance (DeFi) platform called MantaSwap that will be interoperable with Polkadot's network.
- A Polkadot-based exchange-traded product (ETP) will launch on Switzerland's SIX exchange, allowing investors to hold Polkadot in the same

way that they hold stocks. This move has the potential to increase institutional investment in the crypto.

- Standardized Tokenization Protocol announced plans to launch a new protocol that will facilitate synthetic tokenization of assets on the Polkadot network. This is a leap forward in the financial capabilities of blockchain technology, as it will allow users to track assets on other blockchains and give them access to multi-chain assets.

Polkadot has become a hub for blockchain development, but this is only the beginning. It's now up more than 600% since we added it in September, and with the crypto seeing rapidly increasing adoption, we remain extremely bullish on it in the months and years ahead. **Hold DOT.**

Stellar Lumens (XLM) has gotten off to a fast start, already up more than 70% in the month since we recommended it. It has also rallied faster than bitcoin. The recent strength is thanks in part to USD Coin – one of the most popular and reputable stablecoins in the market – launching on Stellar's network. (Stablecoins peg their value to other assets, in this case the U.S. dollar.)

Although most of the USD Coin in circulation is still on Ethereum's network, its activity will likely ramp up quickly on Stellar since Ethereum's transaction fees have skyrocketed. In contrast, Stellar's transaction fees are practically zero. That makes transacting USD Coin on the Stellar network much more economical and efficient.

Another piece of big news: Signal – a popular encrypted messaging app – is experimenting with Stellar's network. There is even speculation that it will launch a native token on the platform. With plenty of upside potential ahead, **buy XLM under our raised \$0.50 limit.**

Uniswap (UNI) hasn't just been steadily rising over the last month... it's been steadily *rallying*. The coin is up about 350%, easily outpacing bitcoin's 34% gain. And it's surged more than 400% for us overall.

Uniswap is the number one decentralized exchange (DEX) on the Ethereum network, so it makes sense that it is on the move right now. Ethereum is the second-largest crypto, and it has rallied about 70% to all-time highs above \$1,800 in the last month. At the

same time, DeFi activity is thriving, with total value locked in related platforms having skyrocketed 67% from \$21 billion to \$35 billion.

In other words, Uniswap is rising with the hypergrowth DeFi tide.

The crypto platform saw more than \$30 billion in trading volume in January, which is double the previous record of \$15 billion just the month before. That's a huge catalyst for the coin. And as DEXs continue to become a more serious competitor to centralized exchanges, we can expect much higher prices in the future. **Hold UNI.**

Tron (TRX) is what we might call “warm” right now, at least compared to other cryptocurrencies. It's up over 90% in the last month, so not quite as on fire as some of the other hot altcoins that have rallied hundreds of percent over the same timeframe. That's fine.

Perhaps the biggest Tron-related news items this past week was that founder Justin Sun bought \$1 million of GameStop stock to get in on the r/WallStreetBets craze. Almost immediately after Sun's announcement... the price of GameStop collapsed. Oops.

Meanwhile, the crypto continues to be mired in a lawsuit regarding its \$70 million initial coin offering (ICO), in which some investors claim that Tron violated securities laws. There are concerns that a more serious SEC lawsuit across the Tron Foundation could arise, but like we said last month, our bullish outlook here hasn't changed. The coin has more than doubled since our initial recommendation in September.

We continue to keep an eye on the headlines and will be in touch if we need to make any changes. For now, we're raising our limit on Tron for new money. **Buy TRX under a revised limit of \$0.06.**

Another Great Reason to Invest in Altcoins

We're pretty sure you've joined us in *Crypto Investor Network* to make big money in the huge opportunity in altcoins. That is certainly our goal – to help you do that.

At the beginning of this month's issue, we talked about the big headlines helping move the crypto industry forward and drive prices higher. Other news recently in the stock market has highlighted yet another reason to have some of your portfolio in cryptocurrencies.

We mentioned that **Tron (TRX)** founder Justin Sun got caught in the whole Reddit group investing craze that everyone is talking about. He's not the only one to have lost money, and the broader implications have shaken up Wall Street and stock investors.

You probably heard about the insane moves in stocks like GameStop and AMC Entertainment. Things exploded a little over two weeks ago with trading that Matt said was some of the strangest he had ever seen in more than 20 years of stock investing. On January 28, GameStop's price got as high as \$483 and as low as \$112.25. That's many years' worth of movement for a lot of stocks... all in in five-and-a-half hours.

Multiple factors were at work. It started when investors in a Reddit group called "Wall Street Bets" decided to buy stocks in big numbers. They did this on purpose to go after big money that was shorting these stocks.

When you have a lot of buying in a heavily shorted stock, you get a "short squeeze." Buying pressure builds and builds like a snowball rolling downhill.

So when the Redditt crowd bought AMC and GameStop, any investor who was short those stocks – many of which were institutions – scrambled like crazy to "cover." When you are short a stock, that means buying shares back to return them to the broker. Well, all that additional buying sent prices even higher.

Worst of all, some brokerage firms like Robinhood placed limits on shares you could trade in certain stocks. This is where we get furious... BUT it's also where a major benefit of cryptocurrencies stands out.

All brokerages, from Robinhood to Fidelity to Charles Schwab, work with a clearinghouse on trades to make sure the shares get to the buyer and money to the seller. Clearinghouses demand that brokerages have a certain amount of collateral on hand to make sure funds are available. When volume skyrocketed on GameStop and other stocks, Robinhood's clearinghouse raised that collateral requirement significantly.

Robinhood apparently negotiated with the clearinghouse to lower the collateral if they restricted the number of shares investors could trade. That cannot and should not happen.

There is plenty of blame to go around, but one of the problems in this whole fiasco is the clearinghouse, which is essentially a middleman between buyers and sellers of stocks working through brokerages.

If we eliminate the middleman, we eliminate a big part of the problem.

That's exactly what blockchain and altcoins do. This is a real-life case study of the benefits of blockchain... and the huge opportunity for investors.

There's a special situation rapidly unfolding in the crypto market right now that relates to the crazy trading we've seen in the stock market.

Decentralized finance, or "DeFi" for short, is a global movement toward an open financial system. We're talking savings, loans, insurance, trading, betting, and more... all accessible in one place to anyone with an internet connection. Best of all, the government can never touch it.

Cryptocurrencies run on the blockchain. We don't need an intermediary like a lawyer, a banker, or even a clearinghouse. Transactions – like stock sales and purchases – can be verified on the blockchain in mere moments. All without a middleman and their unnecessary fees and sometimes prohibitive requirements.

We've talked about how DeFi is like a high-tech vending machine. With just a single click of your finger, you will be able to take out a loan or mortgage, buy a new insurance policy, make money loaning out your money, invest in stocks or bonds or any other asset class, deposit your cash into a safe savings account, and on and on.

We are well positioned in the hot DeFi crypto sector. Our latest addition to the portfolio, **Stellar Lumens (XLM)**, connects banks and individuals via payment systems for fast, easy, and cheap movement of money.

Electroneum (ETN) allows people around the world without banking services (remember, banks are the middleman) to pay for goods and services or send money,

collect money for goods and services, and send money virtually anywhere... at very little cost.

Uniswap (UNI) is the native token of the popular decentralized exchange with the same name.

DeFi is likely to be the biggest revolution to occur in finance in centuries, and we've just seen how we need it more than ever.

We expect multiple opportunities in the coming years, which is just one more reason why now is such a great time to invest in altcoins.

Have a happy and safe holiday weekend. The stock market is closed on Monday in honor of President's Day, and so are our InvestorPlace offices. But as you know, the crypto market remains open. This is the way of the future.

Sincerely,



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